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Why Labor Should Be Represented in Industrial Management

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THE reason why labor representation in industrial management has become absolutely necessary is due to growing dissatisfaction of the workers with their status in society and the employers' willingness to sacrifice the human being for the sake of greater profits.

A great many employers do not operate on the theory that the greatest ultimate good will accrue to themselves and society as a whole by the development of the individual to the highest possible point, but operate along the lines of the "mud-sill" theory as illustrated by Abraham Lincoln. This theory "assumes that labor and education are incompatible and any practical combination of them is impossible. According to that theory a blind horse upon a treadmill is a perfect illustration of what a laborer should be—all the better for being blind because he could not kick understandingly. The education of labor is not only considered useless but dangerous. In fact, it is deemed a misfortune that labor should have heads at all. Those same heads are regarded as explosive material, only to be kept in damp places, as far as possible from that peculiar fire which ignites them—education. A Yankee who could invent a strong handed man without a head would receive the everlasting blessing of this type of employer."

It seems to me that our progress in degeneracy is pretty rapid—we started out as a nation on the basis that all men were created free and equal. Now we are asked to submit to a treadmill existence, stop thinking and

believe that the people now in control of industry are the only ones capable of thought. It is not conceivable that a liberty-loving people are going to supinely submit to such a narrowing outlook upon life. What they are doing and will do more and more energetically until they regain their position in society is to demand an opportunity to come up to their potential possibilities.

Our forefathers were nearer to freedom and equality because they controlled the means of producing the necessities of life but as industry has developed and machine production increased the worker has become less and less independent, and the time is at hand because of the growing inequalities of the people of this country for labor to be put on a new basis for the very sound reason that a democracy cannot live where there are such glaring inequalities among the people.

NECESSITY FOR DEMOCRACY IN INDUSTRIES

We are thankful that the workers are not solely automatons, but have hearts, spirits and minds and are beginning to at least realize the futility of political democracy unless extended to the industrial sphere of life. This brings us to the point where we can consider the advantages to society as a whole by having the workers participate in the management of industry in proportion to their basic interest.

The worthy objects of any industrial undertaking are:

1. Supply society with the necessities of life in its pursuits of happiness.

2. Give the workers an opportunity to earn a living and contribute to the needs of society.

3. Capital itself does not deserve any consideration as it is a dead thing—it does not think or contribute to the production of society's needs, but capitalists in their capacity as organizers make a valuable contribution and should be given due consideration.

Taking up the first justification for the existence of industry, namely, the supplying of the needs of society, the ideal way of accomplishing this is by using the maximum of brains with the minimum of energy and time, to the end that society's needs are produced most efficiently and economically.

PATERNALISTIC METHODS OF INTERESTING WORKERS

This can only be accomplished when the workers have a real interest in their work, and their interests are so safeguarded that they can give fully and freely of their abilities and experiences. A great many employers, with the aid of scientists of industry, have and are trying all manner of ingenious paternalistic methods of interesting the workers in their jobs, such as the manufacturers' efforts to appear interested in the well being of the worker by building sanitary dwellings, the establishment of insurance funds and a number of other agencies through which they hope to bind labor and capital together. The modern workman is apt to chafe under the feeling that his insurance funds are in the hands of his employer, and dislikes to live in houses owned by the corporation for which he works, even when such houses are well built and rent at a fair price. There is a feeling of dependence which often gives rise to serious misunderstandings. Another very common method is for the employers to afford the workers every opportunity to become stock-

holders on terms more favorable than are open to the general public; they believe that the resultant loss in money will be made up by the devotion of the men to the institution. This does not in any real sense make the worker his own employer. It gives him a fractional share in electing the people who decide how he is to be employed, a very different thing both in theory and fact and falls far short of putting the laborer in a position of independence.

Still another method is that of profit sharing. There are many notable instances of success in profit sharing but this has always happened when the responsibility for management has been decentralized and not when it was used as a method of paying wages. The worker knows that in the general case the profits of the employer are not sufficient to permit of a substantial increase in his wages at the expense of his employer, so an offer to share profits does not appeal to the worker because he can get the same results through his trade union and not be an object of charity.

The bonus is another popular method which hardly deserves comment as it is simply a system of payment and part of the wage. All of these methods can be classed under the head of paternalism and at best act only as stimulants, affording no real basis for the workers to interest themselves in industry as a whole.

Scientific management proposes to confine the brains of an industrial institution to the planning room and wants the workers to follow instructions without question, thereby transferring the responsibility for production from the ones who produce to the ones who direct production, consequently wanting only men who will blindly follow directions. Where the workers have interfered with the administration of scientific management

paternalistic schemes have been adopted by the management in an endeavor to hide their real purpose, but I have never seen an instance of this nature where the workers were not cognizant of the true motive and realized fully that they were doing as some one else directed. The workers are not laboring under the delusion that they are acting on their own initiative. They appreciate very keenly that they are being managed and quite naturally resent it.

NEED FOR PARTICIPATION AND REPRESENTATION OF WORKER IN INDUSTRY

The workers keenly realize that the solution depends on their opportunity for education and a chance to exercise their inherent tendencies to create, initiate action, accept responsibility and excel; in fact, do everything that brings their faculties as human beings into play.

A plan by which representation or participation is secured is of little importance in comparison to the scope of the functions which the committees are permitted to exercise.

It has been proven by the attitude of the workers in the army arsenals that if the workers' representative functions extend to such fundamental things as employment, promotion, discharge, solicitation of work, compiling of estimates and production methods, they, realizing that their job is at stake, that their estimate must be lived up to, that it is their plan which is being tested, will do everything within their power to produce opportunity for securing work and thereby stabilizing employment.

Because of the liberal attitude of the Secretary of War in affording the employees in the army arsenals this opportunity for self-expression and further development, it has been most pleasing to watch the growth of interest of the employees in their work. They

are putting forth every effort to bring their efficiency as industrial institutions up to as high a standard as possible. Whether or not this movement will be permitted to continue is problematical. As we know, an army officer's great ambition in times of peace is to prove a social success and he has no desire to burden himself with the great amount of work that would necessarily ensue if this movement were permitted to live. However, it has been practically demonstrated that the workmen, if given the necessary stimulus of being made a partner in a great industrial enterprise, will react by displaying the greatest possible interest in production both as to economy and quantity.

EVALUATION OF CAPITAL, LABOR AND THE PUBLIC IN INDUSTRY

In evaluating the basic interests of capital, labor and the public in industry, I think we would find that 20 per cent for capital, 30 per cent for labor and 50 per cent for the public would be as fair a figure as could be arrived at, as the consumer supports both capital and labor by his patronage.

Labor unquestionably has more at stake than capital, either on a basis of numbers or the sum total of its contribution to the objects of industry. No one would question the statement that the people depending on industry for a livelihood have a vital and dominating interest in the successful conduct of industry.

To attempt to discuss this subject in a few minutes necessitates touching it only superficially and theoretically, but if we accept the theory that free labor is more productive than slave labor we readily see the advantages to society in freeing labor from economic slavery, and as no people who are intellectually free will long submit to economic slavery, it follows that if we are

to mitigate the stress and waste of our present industrial warfare, labor must be freed.

LABOR'S PART IN INDUSTRY

It is not perhaps conceivable that the controlling class in the United States will become so enlightened that they will aid in "placing labor on a new basis" and in extending democracy to industry, but the best industrial thinkers of today believe if we are to have industrial peace, labor's basic interest in industry must be recognized.

The wage incentive or other stimuli, such as profit sharing, does not make the workers feel fundamentally interested in their work—such interest as was displayed during the war when the responsibility for production and to that extent the winning of the war devolved upon labor. Labor accepted this responsibility eagerly and felt it was a part of and partner in a large undertaking.

If the full productive capacity of labor, which is at this time both consciously and unconsciously withheld from society under our present system, is ever to be released, labor must participate in the conduct of industry.

Labor, in sharing the control of the means of producing the necessities of life, is in position where it can give fully and freely of its abilities and experiences, without causing unemployment; thus keeping alive the hope for recognition and appreciation which is being killed under our present organization of industry. Participation would destroy the deadening influence on the employees of present day machine production because participation permits the extension of the interest of the employees to the institution as a whole. It is this participation which will prevent the workman from being transformed into a machine and which will enable him to develop his abilities along productive lines to the highest point possible.